

Zero Dollar Generic Copayment Program 2006 Evaluation



Zero Dollar Generic Copayment (ZDC) programs are designed to promote greater use of generic medications by providing a financial incentive for members to move to lower-cost, equally effective generics. These programs target patients on nonformulary branded medications and offer a zero-dollar copayment for a limited time period (typically four to six months) if the patient moves to a generic alternative.

Early evaluation of this program found that, compared against a control group, the percentage of patients moving to a generic was small (1.2% to 4.5%, depending upon the therapy class). The small proportion of members moving produced relatively low plan savings of \$0.01 per member per month. Since the initial evaluation, program enhancements have been made, including changes to the content and format of the letters. In addition, more therapy classes have been added to the ZDC program.

The purpose of this study was to evaluate the ZDC program implemented in a state-employer plan.

The client selected for the study was a large state-employer plan with approximately 104,000 lives, located in the Northeast. This client had adopted various trend-management strategies, including step therapy. The plan had adopted the Express Scripts Prime Formulary, with three-tier flat copayments of \$8.50/\$20/\$45 in retail and \$17/\$40/\$90 in Home Delivery.

Members meeting the criteria to receive a ZDC mailing were identified as having a claim for one or more brand nonformulary drugs in the targeted therapy classes (Table 1) between Oct. 15, 2005, and Jan. 15, 2006. Additional criteria included a currency check (i.e., current on therapy, defined as the date of the last fill, plus days' supply, within 15 days of the target date). Also, members had to be eligible as of the date of targeting. Other criteria were applied, depending upon the program (for example, age, prior use of generics, step-therapy edit).

Those meeting the targeting criteria were aggregated to the household level, using the first nine digits of their unique member-identification code. Households were then randomly assigned to case (received a letter) or control (did not receive a letter) groups. In this way, if more than one member in a household qualified for the program, all members would be assigned to the same study arm. This randomization process also assured that members who met the criteria for more than one therapy class were assigned to the same study arm.

For case group members, letters were mailed on Feb. 14, 2006. In the letter, members were told that they would pay nothing for the appropriate generic from Feb. 1, 2006, through May 31, 2006, for up to four fills.

Only those members who were continuously eligible from Feb. 1, 2006, through May 31, 2006, were included in the analysis. The outcomes for both case and control groups were No Claim, Brand or Generic, evaluated from Feb. 14, 2006, through May 31, 2006.

Patients were classified as No Claim if they did not have a paid claim for either the brand or generic alternative in the respective therapy class within the follow-up period.

Patients in the case group were classified as receiving a generic if they had a ZDC claim for the generic alternative in the therapy class for which they were targeted.

Among those with a ZDC claim, the percent switching back to the brand product was evaluated by examining the last claim in the follow-up period. Also, the average number of ZDC claims within the follow-up period was calculated for those with a ZDC claim.

Table 1, which follows, presents the findings related to the percentage with a follow-up claim and the percentage with a generic over the four-month follow-up period. For all therapy classes, there was no significant difference between treatment and control groups in the percentage of patients with no follow-up claim. Among those with a follow-up claim, the percentage with a generic claim was significantly different across all therapy classes, with the exception of the CCB therapy class.

Among those with a zero-dollar claim, the mean number of 30-day-adjusted prescription claims over the four-month period ranged from 1.44 (COX-2) to 2.53 and 2.57 (HMG and CCB, respectively). On an unadjusted basis, there were no members who received four ZDC fills over the four-month follow-up, the exception being one person with six unadjusted ZDC fills in the CCB therapy class. In most cases, a majority received only one ZDC fill over the four-month period.

Table 1

Percentage Switching to Generic by Program and Frequency of Generic Use During Four-Month Follow-Up

Program	Study Arm	N	Average Age	No Follow-Up (N)	Percent No Follow-Up	Generic Claim	Percent Among Those With a Follow-Up Claim	Switch Back To Brand
PPI	Case	696	60.6	101	14.5%	46	7.7%	5
	Control	660	59.3	105	15.9%	12	2.2%	3
HMG	Case	2,001	63.3	818	40.9%	149	12.6%	1
	Control	2,062	64.5	866	42.0%	56	4.7%	1
ARB	Case	391	64.8	120	30.7%	23	8.5%	0
	Control	396	65.5	133	33.6%	9	3.4%	1
ARB/ HCTZ	Case	260	62.5	70	26.9%	22	11.6%	0
	Control	227	62.5	59	26.0%	2	1.2%	0
COX-2	Case	380	65.9	75	19.7%	22	7.2%	0
	Control	358	67.0	70	19.6%	10	3.5%	1
CCB	Case	1,136	66.1	241	21.2%	215	24.0%	7
	Control	1,155	65.4	236	20.4%	203	22.1%	14

For cases in the treatment group, the association between receiving a ZDC claim and member demographics, as well as meeting criteria for more than one ZDC program, was also evaluated. There were no differences in average age across the ZDC programs for those who received or did not receive a ZDC claim, nor was there any association between receiving a ZDC claim and gender. Those who met criteria for more than one ZDC program were less likely to have a ZDC claim. This finding was statistically significant for the HMG and CCB ZDC programs.

These results are encouraging in that a significantly greater number of members in the treatment group moved to the generic products for PPIs, HMGs, ARBs, ARBs/HCTZs, and COX-2s as a result of the ZDC incentive program.

There was no significant difference in the use of generics between treatment and control groups in the CCB therapy class. One reason for no difference may be that control group members, impacted by the formulary change in 2006, were motivated by the copayment differential of \$36.50 (\$45 nonpreferred brand and \$8.50 generic), and the additional incentive of \$0 for four months was not enough to make those who had not moved to the generic change their minds.

The ZDC program is a member-friendly method to shift utilization from higher-cost, nonformulary brands to lower-cost, therapeutically equivalent generics. The program provides a great opportunity to initiate conversations between patients and their doctors about generic alternatives.